

RENEWABLE ENERGY TAX CREDIT

Prior Law

In order to qualify for the credit, a renewable energy facility must have been placed into service before January 1, 2017.

Of the maximum amount of energy production capacity of all facilities eligible for the credit, 10 megawatts of nameplate generating capacity or energy production equivalent was reserved for solar facilities with a generating capacity of 1 ½ megawatts or less that are owned or contracted for by certain types of electric cooperative associations described in the statute.

An owner could not own more than two of any type of renewable energy facility and still qualify for the credit. An owner with an equity interest of 51% or more in one renewable energy facility could not have more than a 10% equity interest in any other renewable energy facility.

Renewable energy tax credit certificates were not to be issued for renewable energy purchased or produced for on-site consumption after December 31, 2026.

New Provisions

Facilities placed in service before January 1, 2018 may now be eligible for the credit.

The Act clarifies that a solar facility qualifies for part of the 10 megawatts of generating capacity reserved for solar facilities as long as it is located within this state; has a generating capacity of 1 ½ megawatts or less (but not less than ¾ megawatts if all or part of the energy is for on-site consumption); is owned in whole or in part, directly or indirectly by one of the electric cooperatives described in the statute; and is placed in service between July 1, 2005 and January 1, 2018. A solar facility that meets these criteria is eligible for the credit even if it does not meet the other requirements found in the definition of “eligible renewable energy facility.”

An electric cooperative association described in the statute may have an ownership interest in up to four solar energy facilities with a generating capacity of 1 ½ megawatts or less, as long as the facility meets the other criteria listed above.

Renewable energy tax credit certificates may not be issued for renewable energy purchased or produced for on-site consumption after December 31, 2027.

Sections Amended

Section 10 of 2016 Iowa Acts House File 2468 amends Section 476C.1, Code 2016. Sections 11 and 12 of House File 2468 amend Section 476C.3, Code 2016. Section 13 of 2016 House File 2468 amends Section 476C.5, Code 2016.

Effective Date_____

May 27, 2016

Sections 10 and 13 of the Act apply retroactively to January 1, 2016.

Sections 11 and 12 of the Act apply retroactively to January 1, 2015, and to applications for the credit made on or after June 26, 2015.